MINUTES OF THE SPRINGVILLE CITY WATER BOARD

Tuesday, November 4, 2014 6:30 a.m. 110 South Main Street Springville, Utah 84663

ATTENDANCE

Councilmember Secretary

Richard Child, absent Marcie Clark

Board Members City Staff

Alton Beck Brad Stapley – Public Works Director Nile Hatch Shawn Barker – Water Superintendent

Calvin Crandall

Rollin Hotchkiss, excused

Rod Andrew Bernell Hutchings

Mr. Beck was asked to conduct the meeting since Mr. Hotchkiss was out of town.

The minutes from the October 14, 2014 meeting were reviewed. Mr. Hatch made the motion to approve the minutes. Mr. Hutchings seconded. All were in favor.

Mr. Beck reviewed the 2015 Annual Meeting Schedule as listed on the agenda. December is scheduled to have a meeting, which is different from previous years. Last year we did an informal breakfast meeting at Cracker Barrell. Mr. Beck stated he wasn't sure why we didn't have a meeting in July and December. Mr. Andrew made the motioned to accept it as written. Mr. Hatch seconded. All were in favor.

Mr. Beck turned the time over to Brad Stapley.

Mr. Stapley displayed a map of Springville on the big screen television. He explained where Plat "A" is -400 N to 400 S, 400 E to 400 W (64 blocks). The City services this area with secondary water. Over the years, the use of surface irrigation has steadily declined. It is a cost to the City to provide that water. The City also uses water shares to legally use that water. We are looking at the feasibility of keeping the Plat "A" irrigation system. Provo, Spanish Fork, and parts of Orem have abandoned it. For the most part, the systems are too expensive to run and people don't like getting up at 3:00 in the morning to take their turn.

Mr. Barker explained that the Water Department employees took over the duties of water master this year, due to liability issues and the inability to reach an agreement with the former water master. There were 60 hours for every turn, which is typically 16 turns a season. There were only 14 this year. The City has always administered Plat "A", but we have typically contracted with an outside water master. Depending on the shifts and the irrigation turns, there were a lot of overtime hours worked. Mr. Barker didn't figure out the overtime for his crews verses costs for water master. He can go back and do that, if needed. He did figure 920 man hours for pre-season maintenance at \$30/hour=\$27,600. We typically pay the water master \$16,000 a season. We usually budget \$21,000 a year for water master wages. In 2014, \$19,114 was spent on O&M and \$15,316 was the revenue (\$7,998 for water master rates, \$11,116 for improvements). Mr. Barker stated that the City spent \$11,116 on one project on 100 West between 300-400 North this year because one house was getting flooded with tail water. We installed a pipe that connects to the storm drain on 400 North.

Irrigation users pay for time, not per water shares. An hour turn is around \$100 a year. Mr. Beck asked what would happen if the City just doubled the rate. Mr. Crandall thinks that if the rates doubled, customers would drop off, which would cut the revenues, but the expenses would still be the same. On average, a Plat "A" user pays around

\$10/month for irrigation water. Mr. Hatch would like to figure out how much water is being used and come up with a fair rate.

Mr. Stapley explained that the City is losing money to service 148 Plat "A" users in a community of 8,000 users. There are many things in the city that lose money, such as composting, the pool, and the library. Do we continue subsidizing water use? The irrigation users do not have rights to the water. The City owns the rights.

Mr. Barker explained that one of the benefits of the City doing the water master services this year was we were able to get a really good idea of how the system works. In the past we had to rely on the knowledge of the water master. We were able to identify the risks that the City takes on such as a child drowning in a ditch or flooding a basement. There were 10-20 risks that were identified. We have several feeders that go under sheds, which could collapse. Some homeowners have piped the ditch with old water heaters.

Mr. Hatch also brought up that we could be using the water somewhere else, but there are costs involved with that. Mr. Stapley said the water is not tied to Plat "A". Mr. Stapley said the problem is we have a limited number of users and the City is spending almost 3 times as much as revenues received. We're burdening our water crew 920 hours – almost half a person's wages on irrigation. What are we going to do in the future because we're losing water?

Mr. Beck proposed that we raise the rates and make it self-sustaining. Eventually, everyone will cancel.

Mr. Crandall argued that if the City discontinues Plat "A" irrigation, those ditches become storm drains and it becomes the Storm Water Department's responsibility. The system dead ends in many places, so the O&M on the storm drains will be less than it was for irrigation. Mr. Stapley explained that the irrigation users don't have the rights to the water, so they can't stop the City from discontinuing it. The City would probably transfer some of the rights to wells.

Mr. Hutchings asked if the City is ever going to give Plat "A" pressurized irrigation. Mr. Stapley stated the current master plan does not call for that. He explained that it's too expensive to tear up all the roads to put it in.

The board felt they had enough information to make a recommendation to City Council.

Mr. Beck thinks we should present different alternatives to City Council, such as:

- 1. Raise rates (demand curve will change). Still have fixed costs. Mr. Hatch doesn't think many will discontinue because it is highly inelastic.
- 2. Abandon the system
- 3. Do nothing
- 4. Put in pressurized irrigation in the near future
- 5. One time subsidy (give them money and tell them we're discontinuing)
- 6. Phase out over time

Mr. Stapley recommended we have a meeting in December on the 9th and the members agreed. Mr. Stapley will brief the city administrator that this will be going before City Council. Mr. Stapley will also talk with Rollin Hotchkiss.

There was brief discussion on insurance for the water master; that is one of the major reasons the City took over the responsibilities this year. The contracted water master couldn't afford an insurance policy. One claim could have "hung him out to dry".

Mr. Hatch brought up the political economic question. This will burden those 148 users with a relatively large cost. But for the City, it amounts to less than \$4.00 a year if spread out among all users.

Mr. Beck stated he was firmly against it, and supported getting rid of Plat "A" irrigation, but now he thinks it's the same as any other service the city subsidizes. Mr. Hatch disagreed. He brought up that he has access to the library, pool, and compost. But he doesn't have access to any of the irrigation water. This will have a big impact for Plat "A" users.

Mr. Beck asked what will happen to the Swenson Dam if Plat "A" is abandoned. Mr. Barker responded that some of the infrastructure will have to stay in place for Springville Irrigation Company. Mr. Crandall explained how the

irrigation company has paid some users in the past to transfer the responsibility of maintenance to them. Much of the money spent on O&M goes to small garden tickets rather than large users west of 400 West. (One time subsidy was added to the list of recommendations)

Mr. Andrew suggested phasing out the system; giving the users a 5-year, 3-year, or 1-year plan. It will give them time to save and plan for another type of system. (Phasing out was added to the list)

We will meet again on Tuesday, December 9, 2014.

Mr. Hatch moved to adjourn. Mr. Andrew seconded.

Adjourn – This meeting adjourned at 7:29 a.m.